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DIARY NOTES

DD/S [REDACTED]

8 July 1959

* 1. The Director reported that he had discussed the Kilday Committee's interest in having the General Accounting Office expand its audit activities in CIA with Bryce Harlow at the White House. He and Bryce proposed to discuss the matter further with Mr. Kilday and the Director instructed me to take no further action on this matter until after these discussions. H

2. Senator Saltonstall telephoned the Director and urged him to see Senator Dworshak to discuss our Budget with him. In the alternative he suggested that the Director write a letter to Senator Hayden which he in turn might show to Senator Dworshak. In lieu of this the Director plans to see Senator Hayden and present him with our pertinent personnel and budget statistics. (I have supplied.)

3. Jim Garrison briefed me on the DD/P desire to be put in touch with his man in Europe for the possible procurement of arms, etc. I, of course, told Jim to cooperate fully but to insure that he did not accept responsibility for such actions over which we have no control.

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4. I also discussed with Jim Garrison and [REDACTED] the management survey of the Office of Logistics. I renewed my previously firm instruction that they were to work closely together in this survey so as to minimize differences of opinion when the final survey is completed.

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5. Colonel Grogan was in with Mr. [REDACTED] with a proposed press release concerning a contract in connection with our new building. I advised them that I saw no objection to the press release as submitted. H

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25X1A6a 6. I met with Larry Houston, George Carey and others concerning the tax problem of our Foreign Nationals [REDACTED] and agreed that we had a moral responsibility to pay these taxes if the [REDACTED] Government should insist that these employees pay them. I also agreed that, if we start insisting that these employees either pay their taxes or give us money to pay them, if and when the [REDACTED] Government raises the matter, it would be necessary to increase their salaries. Accordingly, we decided to take the risk but with an understanding that, if the issue ever arose, the Agency would have a moral obligation to pay and that I would so recommend it to the Director.

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7. Larry Houston buzzed to say that [REDACTED] had advised Gordon Stewart that, after further consideration of his retirement options, he had decided to accept the Civil Service annuity rather than insist on a lump-sum payment.

LKW:ecb

* NOTE: Excerpts of par. 1 were sent on 7/14/59 to the Comptroller, General Counsel, Legislative Council, and Staff. See DD/S-59-3247

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